

Independent Insurance Agents & Brokers of Louisiana
9818 Bluebonnet Boulevard
Baton Rouge, Louisiana 70810
www.IIABL.com
(225) 819-8007

TECHNICAL ADVISORY

TA 271

April 6, 2009

SUBJECT: LDI Bulletin NO. 09-06 - Extension of time period for insureds to effectuate repairs to damaged property caused by Hurricanes Gustav or Ike and receives full recovery for replacement cost

BACKGROUND: The insured's entitlement to receive full recovery for the replacement cost for damages caused to property insured by a personal or commercial insurance policy.

MAIN POINTS: The Commissioner issues Bulletin 09-06 to remind insurers of the provisions of LSA-R.S. 22:1264 (B) which states the following: "For losses that arose due to a catastrophic event for which a state disaster or emergency was declared pursuant to law by civil officials, for those within the declaration, any policyholder with replacement cost provisions shall be entitled to complete repairs to the property within one year from the date of the loss or the issuance of applicable insurance proceeds, whichever is later. Adherence to this provision shall entitle the policyholder with a replacement cost provision to receive full value of the covered damage that has been repaired, without reduction due to depreciation.

NECESSARY ACTION: Please circulate technical advisory to all personal and commercial lines personnel.